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UNITED STATES DEPARTMENT OF  
**C O M M E R C E**  
**EEWS**

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WASHINGTON, D.C. 20230

BUREAU OF  
EXPORT  
ADMINISTRATION

FOR IMMEDIATE RELEASE:  
-April 24, 2000  
[www.bxa.doc.gov](http://www.bxa.doc.gov)

Contact: Eugene Cottilli  
(202) 482-2721  
(202) 482-242 1 (fax)

## **INDIANA COMPANY SETTLES ANTIBOYCOTT CHARGES**

WASHINGTON-- Commerce Assistant Secretary for Export Enforcement F. Amanda DeBusk today announced that Design Direction, Inc.; a display case and packaging company located in Indianapolis, Indiana, has agreed to pay a \$3,000 civil penalty to settle two alleged violations of the antiboycott provisions of the Export Administration Regulations.

The Department alleged that Design Direction, in a transaction involving a sale to the United Arab Emirates in 1995, furnished information regarding another company's business relationships with Israel. The Department also alleged that Design Direction failed to report its receipt of the boycott-related request for the information it allegedly furnished.

The company voluntarily disclosed the alleged violations to the Department. While neither admitting nor denying the allegations, the company agreed to pay the civil penalty.

The antiboycott provisions of the Export Administration Act and Regulations prohibit U.S. companies and individuals from complying with certain aspects of unsanctioned foreign boycotts maintained against any country friendly to the United States that is not itself the object of any form of U.S. sanctioned boycott. Through its Office of Antiboycott Compliance, the Commerce Department investigates alleged violations, provides support in administrative or criminal litigation of cases and prepares cases for settlement.

UNITED STATES OF AMERICA

DEPARTMENT OF COMMERCE

\_\_\_\_\_  
In the Matter of \_\_\_\_\_  
DESIGN DIRECTION, INC. \_\_\_\_\_  
\_\_\_\_\_

Case No. 97-4A

ORDER

The Office of Antiboycott Compliance, Bureau of Export Administration, U.S. Department of Commerce ("Department"), having determined to initiate an administrative proceeding pursuant to Section 11(c) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1999)) (the "Act"),<sup>1</sup> and the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1999)), against Design Direction, Inc., ("Design Direction"), a domestic concern resident in the state of Indiana, based on the allegations set forth in the Proposed Charging Letter, dated August 27, 1999 attached hereto and incorporated herein by this reference;

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<sup>1</sup> The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)), August 13, 1998 (3 C.F.R., 1998 Comp. 294 (1999)), and August 10, 1999 (64 Fed. Reg. 44101, August 13, 1999), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1999)).

The Department and Design Direction having entered into a Settlement Agreement, incorporated herein by this reference, whereby the parties have agreed to settle this matter; and

I, the Assistant Secretary for Export Enforcement having approved the terms of the Settlement Agreement:

IT IS THEREFORE ORDERED THAT,

FIRST, a civil penalty in the amount of \$3,000 is assessed against Design Direction;

SECOND, Design Direction shall pay to the Department the sum of \$3,000 in the following manner: \$500 within 30 days of the date this Order is entered; \$500 on or before June 30, 2000; \$500 on or before September 30, 2000; \$500 on or before December 31, 2000; \$500 on or before March 31, 2001; and \$500 on or before June 30, 2001;

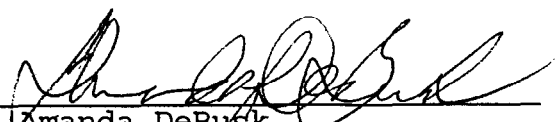
THIRD, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C.A §§ 3701-3720E (1983 and Supp. 1999)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Design Direction will be

assessed, in addition to interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

FOURTH, as authorized by Section 11(d) of the Act, the timely payment of the sum of \$3,000 is hereby made a condition to the granting, restoration or continuing validity of any export license, permission, or privilege granted, or to be granted, to Design Direction. Accordingly, if Design Direction should fail to pay the full sum of \$3,000 in a timely manner, I will enter an Order under the authority of Section 11(d) of the Act denying all of Design Direction's export privileges for a period of one year from the date of the entry of this Order; and

FIFTH, the Proposed Charging Letter, the Settlement Agreement and this Order shall be made available to the public, and a copy of this Order shall be served upon Design Direction.

This Order is effective immediately.

  
F. Amanda DeBusk  
Assistant Secretary for Export Enforcement  
Bureau of Export Administration

Entered this 24th day of April, 2000

## NOTICE

The Order to which this Notice is attached describes the reasons for the assessment of the civil monetary penalty and the rights, if any, that Design Direction, Inc., may have to seek review, both within the U.S. Department of Commerce and the courts. It also specifies the amount owed and the date by which payment of the civil penalty is due and payable.

Under the Debt Collection Act of 1982, as amended (31 U.S.C.A. §§ 3701-3720E (1983 and Supp. 1999) and the Federal Claims Collection Standards (4 C.F.R. Parts 101-105 (1999)), interest accrues on any and all civil monetary penalties owed and unpaid under the Order, from the date of the Order until paid in full. The rate of interest assessed Design Direction, Inc., is the rate of the current value of funds to the U.S. Treasury on the date that the Order was entered. However, interest is waived on any portion paid within 30 days of the date of the Order. See 31 U.S.C.A. § 3717 and 4 C.F.R. § 102.13.

The civil monetary penalty will be delinquent if not paid by the due dates specified in the Order. If the penalty becomes delinquent, interest will continue to accrue on the balance remaining due and unpaid, and Design Direction, Inc., will also be assessed both an administrative charge to cover the cost of processing and handling the delinquent claim and penalty charge of six percent per year. However, although the penalty charge will be computed from the date that the civil penalty becomes delinquent, it will be assessed only on sums due and unpaid for over 90 days after that date. See 31 U.S.C.A. § 3717 and 4 C.F.R. § 102.13.

The foregoing constitutes the initial written notice and demand to Design Direction, Inc., in accordance with section 102.2(b) of the Federal Claims Collection Standards (4 C.F.R. § 102.2(b)).

INSTRUCTIONS FOR PAYMENT OF SETTLEMENT AMOUNT

1. The check should be made payable to:

U.S. DEPARTMENT OF COMMERCE

2. The check should be mailed to:

U.S. Department of Commerce  
Bureau of Export Administration  
Room 6881  
14th & Constitution Avenue, N.W.  
Washington, D.C. 20230

Attention: Zoraida Vazquez

UNITED STATES OF AMERICA  
DEPARTMENT OF COMMERCE

In the Matter of  
DESIGN DIRECTION, INC.

Case No. 97-4A

SETTLEMENT AGREEMENT

This agreement is made by and between Design Direction Company, Inc. ("Design Direction"), a domestic concern resident in the state of Indiana, and the Office of Antiboycott Compliance, Bureau of Export Administration, United States Department of Commerce ("Department"), pursuant to Section 766.18 (a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1999)), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1999)) (the "Act").<sup>1</sup>

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<sup>1</sup> The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)), August 13, 1998 (3 C.F.R., 1998 Comp. 294 (1999)), and August 10, 1999 (64 Fed. Reg. 44101, (August 13, 1999)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1999)).

WHEREAS, the Department has notified Design Direction of its intention to initiate an administrative proceeding against Design Direction pursuant to Section 11 (c) of the Act by issuing the Proposed Charging Letter, dated August 27, 1999, a copy of which is attached hereto and incorporated herein by this reference; and

WHEREAS, Design Direction has reviewed the Proposed Charging Letter and is aware of the allegations against it and the administrative sanctions which could be imposed against it if the allegations are found to be true; Design Direction fully understands the terms of this Settlement Agreement, and enters into this Settlement Agreement voluntarily and with full knowledge of its rights; and Design Direction states that no promises or representations have been made to it other than the agreements and considerations herein expressed; and

WHEREAS, Design Direction neither admits nor denies the truth of the allegations, but wishes to settle and dispose of the allegations made in the Proposed Charging Letter by entering into this Settlement Agreement; and

WHEREAS, Design Direction agrees to be bound by the appropriate Order ("Order") when entered;



NOW, THEREFORE, Design Direction and the Department agree as follows:

1. Under the Act and the Regulations, the Department has jurisdiction over Design Direction with respect to the matters alleged in the Proposed Charging Letter.
2. The Department will impose a civil penalty on Design Direction in the amount of \$3,000. Design Direction will pay to the Department, in accordance with the terms of the Order, when entered, the amount of \$3,000 in complete settlement of all matters set forth in the Proposed Charging Letter.
3. As authorized by Section 11(d) of the Act, timely payment of the amount agreed to in paragraph 2 is hereby made a condition of the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Design Direction. Failure to make payment, in a timely manner, shall result in the denial of all of Design Direction's export privileges for a period of one year from the date of entry of the appropriate Order.

4. Subject to the approval of this Settlement Agreement pursuant to paragraph 9 hereof, Design Direction hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violation of this Settlement Agreement or the appropriate Order, when entered) including, without limitation, any right to:

a. an administrative hearing regarding the allegations in the Proposed Charging Letter;

b. request a refund of the funds paid by Design Direction pursuant to this Settlement Agreement and the appropriate Order, when entered; or

c. seek judicial review or otherwise contest the validity of this Settlement Agreement or the appropriate Order, when entered.

5. The Department, upon entry of the appropriate Order, will not subsequently initiate any administrative or judicial proceeding, or make a referral to the Department of Justice for criminal proceedings against Design Direction, with respect to any violation of Section 8 of the Act or Part 769 or redesignated Part

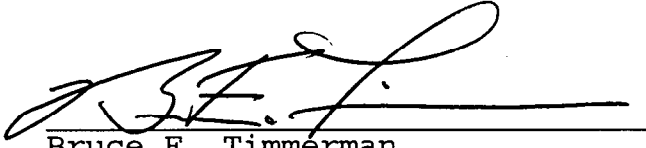
760 of the Regulations arising out of the transaction set forth in the Proposed Charging Letter or any other transaction that was disclosed to or reviewed by the Department in the course of its investigation.

6. Design Direction understands that the Department will disclose publicly the Proposed Charging Letter, this Settlement Agreement, and the appropriate Order, when entered.
7. This Settlement Agreement is for settlement purposes only, and does not constitute an admission by Design Direction that it has violated the Regulations or an admission of the truth of any allegation contained in the Proposed Charging Letter or referred to in this Settlement Agreement. Therefore, if this Settlement Agreement is not accepted and an appropriate Order not entered by the Assistant Secretary for Export Enforcement, the Department may not use this Settlement Agreement against Design Direction in any administrative or judicial proceeding.
8. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the appropriate

Order, when entered. This Settlement Agreement shall not bind, constrain or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances herein addressed.

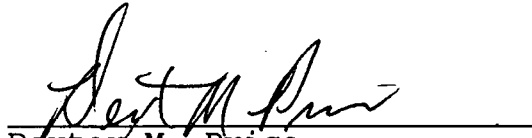
9. This Settlement Agreement will become binding on the Department only when approved by the Assistant Secretary for Export Enforcement by entering the appropriate Order.

DESIGN DIRECTION COMPANY , INC.

  
Bruce E. Timmerman  
President

Date: 2/4/00

U.S. DEPARTMENT OF COMMERCE

  
Dexter M. Price  
Director  
Office of Antiboycott Compliance

Date: April 10, 2000



UNITED STATES DEPARTMENT OF COMMERCE  
Bureau of Export Administration  
Washington, D.C. 20230

PROPOSED CHARGING LETTER

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

August 27, 1999

Design Direction, Inc.  
1635 Expo Road  
Indianapolis, IN 46214

Case No. 97-4A

Attention: Bruce E. Timmerman  
President

Gentlemen:

We have reason to believe and charge that you, Design Direction, Inc. ("DDI"), have committed two violations of the Export Administration Regulations, currently codified at 15 C.F.R. Parts 730-774 (1999), (the "Regulations")<sup>1</sup> issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. §§ 2401-2420 (1991 and Supp. 1999)) (the "Act").<sup>2</sup> We charge that, with intent to comply with, further, or support an unsanctioned foreign boycott, you furnished one item of information about another person's business relationships with or in a boycotted country, in violation of Section 769.2(d) of the former Regulations. Additionally, we charge that, on one occasion you failed to report to the Department, as directed by Section 769.6

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<sup>1</sup>/ The alleged violations occurred in 1995. The Regulations governing the violations at issue are found in the 1995 version of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1995)). Those Regulations define the violations that we allege occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured Regulations establish the procedures that apply to the matters set forth in this letter.

<sup>2</sup>/ The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)), August 13, 1998 (3 C.F.R., 1998 Comp. 294 (1999)), and August 10, 1999 (64 Fed. Reg. 44101 (August 13, 1999)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1999)).



of the former Regulations, your receipt of a request to engage in a restrictive trade practice or an unsanctioned foreign boycott.

We allege that:

1. You, Design Direction, Inc., are a domestic concern resident in the State of Indiana, and as such, are a United States person as defined in Section 760.1(b) of the Regulations.
2. During the period November 1995 through December 1995 you engaged in a transaction involving the shipment of goods from the United States to Dubai, an activity in the interstate or foreign commerce of the United States, as defined in Section 769.1(d) of the former Regulations.
3. In connection with the transaction referred to in paragraph 2 above, on or about December 27, 1995, you, on behalf of another person, furnished a certificate stating the following:

We hereby certify that the goods enumerated in this invoice are not of Israeli Origin nor do they contain Israeli materials and are not being exported from Israel.
4. By providing the information referred to in paragraph 3 above, you furnished one item of information about another person's business relationships with or in a boycotted country, an activity prohibited by Section 769.2(d) of the former Regulations, and not excepted.
5. In connection with the transaction referred to in paragraph 2 above, on or about December 19, 1995, you received a request to furnish the certificate described in paragraph 3, above. That was a request to take an action which had the effect of furthering or supporting a restrictive trade practice or an unsanctioned foreign boycott. In one (1) instance, you failed to report your receipt of the request to the Department as directed by Section 769.6 of the former Regulations. We therefore charge you with one (1) violation of Section 769.6 of the former Regulations.

Accordingly, administrative proceedings are instituted against you pursuant to Part 766 of the Regulations for the purpose of obtaining an Order imposing administrative sanctions.<sup>3</sup> If you fail to answer the allegations contained in this letter within thirty (30) days after service, as provided in Section 766.6, such failure will be treated as a default under Section 766.7.

You are entitled to a hearing on the record as provided in Section 766.6 of the Regulations. If you wish to have a hearing on the record, you must file a written demand for it with your answer. You are entitled to be represented by counsel, and under Section 766.18 of the Regulations, to seek a settlement agreement.

As provided in Section 766.3, I am referring this matter to the Administrative Law Judge. Pursuant to an Interagency Agreement between the Bureau of Export Administration and the U.S. Coast Guard, the U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations, in connection with the matters set forth in this letter. Therefore, in accordance with the instructions in Section 766.5(a) of the Regulations, your answer should be filed with:

U.S. Coast Guard ALJ Docketing Center  
40 South Gay Street  
Baltimore, Maryland 21202-4022

Attention: Administrative Law Judge

Also, in accordance with the instructions in Section 766.5(a) of the Regulations, a copy of your answer should also be served on the Bureau of Export Administration at:

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<sup>3</sup> Administrative sanctions may include any or all the following:

- a. Denial of export privileges (See Section 764.3(a)(2) of the Regulations);
- b. Exclusion from practice (See Section 764.3(a)(3) of the Regulations); and/or
- c. The maximum civil penalty of \$10,000 per violation, (See Section 764.3(a)(1) of the Regulations).

Office of the Chief Counsel for Export Administration  
U.S. Department of Commerce  
Room H-3839  
14th Street & Constitution Avenue, N.W.  
Washington, D.C. 20230

The Office of Chief Counsel can be reached by telephone at  
(202)-482-5311.

Sincerely,

Dexter M. Price  
Director  
Office of Antiboycott Compliance